

request for proposals

January 2003

Request for Proposals

APPROXIMATELY 470 ACRES OF SURPLUS PROPERTY

FOR SALE

In

CHINO, CALIFORNIA

Offered by
State of California
Department of General Services
Real Estate Services Division
Asset Planning & Enhancement Branch

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List of Exhibits

The following exhibits are located on CD and included in this RFP package.

- A. Memorandum of Understanding (State, City, Chaffey CCD), March, 2002
- B. Draft Chino College Park Specific Plan, December, 2002
- C. Project EIR Initial Study, (July, 2002) and Technical Studies
 - 1. Biological Resources Report
 - 2. Cultural Resources Investigation
 - 3. Phase I Environmental Site Assessment
 - 4. Jurisdictional Delineation
- D. Engineering Technical Report, December, 2002 and
Correctional Institution for Men: Facilities Replacement Plan, December, 2002
- E. Economic and Market Assessment, December, 2002
- F. Chaffey College at Chino Vision Statement
- G. Government Code, Section 14672.14
- H. Public Financing Guidelines
- I. Area-wide Traffic Analysis -- Preliminary Conclusions, December, 2002
- J. Property Title and Legal Description
- K. Request for Proposal

Supplemental information may be posted on the project web site, <http://www.applications.dgs.ca.gov/RES/StateSurplusProperty> during the course of the RFP response period.

1. Introduction

The State of California, through the Department of General Services, Real Estate Services Division, Asset Planning and Enhancement Branch, (State), is making available for purchase approximately 470 acres of land (Disposition Parcel). The Disposition Parcel has been surplused from the California Institution for Men, and is located in the City of Chino, San Bernardino County.

The sale of the Disposition Parcel is authorized by Section 14672.14 of the Government Code, as added by Chapter 974, Statutes of 2002 (SB1607) (see Exhibit G).

The Disposition Parcel is part of a larger 710-acre property that has been master planned to include a 100-acre community college and a 140-acre City-owned regional recreation facility. The framework for the planning and entitlement of the Disposition Parcel was established through a Memorandum of Understanding (MOU) between the State, the City of Chino, the Chino Redevelopment Agency and Chaffey Community College District (See Exhibit A). In addition to providing for the expansion of the regional park facilities and for the new location for a community college campus, the MOU provides for the development of up to 2,500 residential units and supporting commercial uses within the Disposition Parcel.

On November 5, 2002, the voters of the City of Chino approved Measure A (posted on the website), a referendum required for a change of zoning to residential use. Passage of this measure provides for a general plan change and rezoning of the Disposition Parcel for the development of up to 2,500 dwellings.

A draft Specific Plan for the entire 710 acres has been prepared and is in process with the City of Chino. The Master Environmental Impact Report is in preparation.

The State will negotiate with the interested party who, at the sole discretion of the State, represents the best opportunity for the State to realize the highest and most certain return within a reasonable time frame. *This procedure should not be interpreted as a bid process.*

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Recipients are encouraged to carefully review all materials provided in this RFP.

This information will be made available on the project website:
[http://www.applications.dgs.ca.gov/resd/StateSurplusProperty.](http://www.applications.dgs.ca.gov/resd/StateSurplusProperty)

Addenda and clarifications will be issued prior to the due date. Interested parties are urged to check the website for these additions to the RFP, and questions and responses as submitted by interested parties. The State anticipates the posting of the project Draft EIR and other supplemental information during the next several weeks.

The information in the RFP or otherwise provided by the State is for information purposes only, subject to verification by a proposer. It is not warranted as accurate or complete.

Part One: Property Description

1.1 LOCATION AND SETTING

The Disposition Parcel is located in southwestern San Bernardino County, approximately 30 miles east of downtown Los Angeles. The San Bernardino County and Riverside County Region, referred to collectively as the “Inland Empire”, is the fastest growing region in the state. As shown in Figure 1: Regional Location, on the following page, the Disposition Parcel is located in the City of Chino, adjacent to the cities of Chino Hills, Pomona and Ontario. The Disposition Parcel is generally bounded by Central Avenue on the west, Edison Avenue on the north, Euclid Avenue on the east and the California Institution for Men (CIM) on the south.

The Disposition Parcel is generally flat and gently sloping south-southwest. It is covered by alluvial soils, which are derived from the surrounding mountains and hills.

1.2 PROPERTY DESCRIPTION

The 710-acre surplus property is divided into three primary parcels:

- Approximately 470 acres to be sold by the State (the Disposition Parcel), which is the subject of the RFP.
- 140 acres to be transferred to the City of Chino for expanded regional recreational facilities.
- 100 acres to be transferred to the Chaffey Community College District for a new campus.

These parcels are illustrated on the Figure 2: Major Parcel Map, and more fully described in the Exhibit J: Legal Description and Title Report.

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1.3 UTILITIES & INFRASTRUCTURE

A report describing the existing utilities serving the Disposition Parcel is included in the Engineering Technical Report, Exhibit D. This report includes the preliminary engineering of the proposed infrastructure for the Draft Specific Plan and cost estimates for these improvements.

In summary, utilities will be provided by the following agencies:

- Potable and recycled water -- City of Chino, Department of Public Works
- Waste water -- Inland Empire Utilities Agency
- Storm water -- San Bernardino Flood Control District
- Solid waste -- Los Angeles and San Bernardino Sanitation Districts

Based upon preliminary engineering, there appears to be sufficient capacity to serve the project. The State has requested “will-serve” letters from the service providers.

Dry utilities, telephone, cable TV, electric and gas services are available in adjacent arterial roadways.

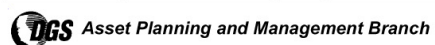
The State will reserve necessary easements in the disposition property for water pipelines, storm drainage channels, utilities, and other facilities needed to serve the remainder of the State owned property south of the disposition property. The exact locations have not yet been determined but will be prior to close of escrow.

In addition, the Chino Basin Water Master has stated a desire to have agricultural wells 4 and 12 maintained, and not abandoned, in order for the Water Master to utilize such wells for monitoring purposes as part of the Water Master’s ground water management efforts. This issue will be addressed in more detail once a developer is selected and meetings have occurred between the selected developer, State and Water Master.

Finally, the State intends to place a water rights easement on the disposition property, the Chaffey College property, and the property being conveyed to the City of Chino for Ayala Park. This easement will preclude the drilling and extraction of ground water within the areas covered by the easement.



Regional Location Map



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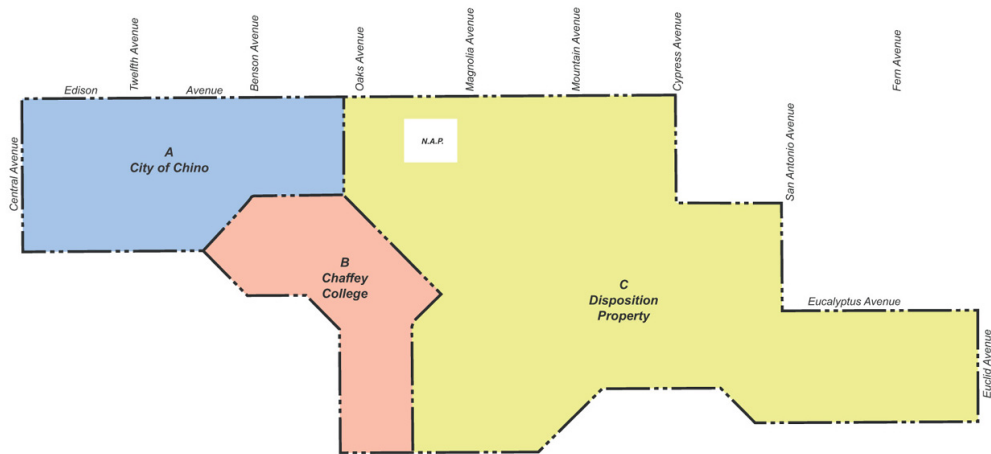



Figure 2

Chino College Park

Parcel Map

 Asset Planning and Management Branch

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1.4 ENVIRONMENTAL CONDITIONS

An Environmental Impact Report is currently being prepared for the proposed project. The Initial Study, dated July 2002, and the following technical reports are included as Exhibit C (Items 1 - 4).

- Biological Resources Report
- Cultural Resources Investigation
- Phase I Environmental Site Assessment
- Jurisdictional Delineation

A summary of the findings to date is presented below.

1.4.1 Draft Environmental Impact Report Summary

The Draft Environmental Impact Report (Draft EIR) for the Specific Plan for the Development of State Surplus Property from the California Institution for Men, Chino, California (proposed project) is currently being prepared in compliance with the California Environmental Quality Act (CEQA) and all applicable federal, state and local statutes and regulations that govern the management of environmental resources. During the review process, the public will have the opportunity to review and comment on the Draft EIR. All comments would be responded to and may require clarifications and revisions to the Draft EIR, which would constitute the Final EIR. Below is a summary of the findings to date that would be included in the Draft EIR. These findings are preliminary and may change once the client and public have reviewed the document.

General Findings

The Initial Study determined that the proposed project was not likely to result in significant impacts to two environmental issues: Land Use and Planning, and Mineral Resources. The Initial Study did, however, determine that the proposed project was likely to result in significant impacts on aesthetics, agricultural resources, air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials,

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hydrology and water quality, noise, population and housing, public services, recreation, transportation/traffic, and utilities and service systems. Therefore, these issue areas were carried forward for detailed analysis in the Draft EIR. The Draft EIR is currently being prepared and as of this date, all potentially significant impacts that were determined to result from implementation of the proposed project would be mitigated to below the level of significance.

Aesthetics

Impacts to aesthetics would occur as a result of implementation of new lighting within the proposed project and would be mitigated to below the level of significance.

Air Quality

Impacts to air quality would occur as a result of the construction of the proposed project components and would use South Coast Air Quality Management District recommended mitigation measures to reduce the impacts to below the level of significance.

Agricultural Resources

Impacts to agricultural resources would occur as a result of the conversion of Farmland (as designated by the U.S. Department of Agriculture Natural Resources Conservation Service) within the proposed project and would be mitigated to below the level of significance.

Biological Resources

Impacts to biological resources would occur as a result of implementation of the proposed project. There are no impacts to sensitive plant communities, listed plant species, sensitive plant species, locally important plant species, riparian habitat, federally-protected wetlands, listed wildlife species, Habitat Conservation Plans/Natural Community Conservation Plans or local ordinances. However, there would be impacts to sensitive

wildlife species, wildlife movement corridors and potential impacts to waters under the jurisdiction of the California Department of Fish and Game. However, implementation of the mitigation measures is expected to reduce the impacts to below the level of significance.

Cultural Resources

Impacts to cultural resources are expected to occur as a result of implementation of the proposed project due to the presence of archaeological and historical resources. The proposed project is not expected to result in significant impacts related to paleontological resources or disturb any human remains, including those interred outside of formal cemeteries. Implementation of mitigation measures is expected to reduce the impacts to below the level of significance.

Geology and Soils

Implementation of the proposed project would be expected to expose people or structures to a risk from several geologic and soil factors. The factors that have been determined to pose a significant impact to people or structures include: surface rupture, strong seismic shaking including liquefaction and lateral spreading landslides, expansive soils, soil consolidation and/or hydroconsolidation, and subsidence. With the exception of surface rupture and strong seismic ground shaking, all remaining impacts can be reduced to below the level of significance through the preparation and full implementation of the project-specific soils engineering / geotechnical analysis that would define standard building codes and additional engineering design measures. Implementation of the proposed project is not expected to exacerbate the existing subsidence issue as the proposed project will not be contributing to further groundwater reduction as specific in the City of Chino Water Supply Assessment.

Surface rupture would remain a significant impact because the locations of potential surface rupture are unknown and therefore cannot be completely designed for as part of the aforementioned analysis. Strong seismic ground shaking remains a significant impact because the peak horizontal ground acceleration for the Maximum Earthquake

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is approximately 0.7g or greater on Chino Fault. The Uniform Building Code sets a threshold for the maximum ground acceleration for which these codes are sufficient to reduce the impacts to below the level of significance; and 0.7g exceeds this threshold.

Hazards and Hazardous Materials

Impacts from construction activities are expected to occur within the proposed project area due to implementation of the proposed project. Also, due to the presence of the an airport land use plan and a volatile organic carbon (VOC) plume located near the proposed project site, the implementation of mitigation measures may be necessary to reduce potential impacts that are associated with the proposed projects location within the airport land use planning area and the VOC plume area. Implementation of mitigation measures would reduce impacts related to the construction activities and the VOC plume to below the level of significance. At this time, further analysis is being done to determine the impacts associated with the airport land use plan.

Hydrology and Water Quality

Impacts to hydrology and water quality are expected to occur as a result of the construction and operation phases of the proposed project. However, strict compliance with all standard National Pollution Discharge Elimination System permit requirements would reduce impacts to surface water quality below the level of significance.

Noise

Impacts to noise levels are expected to occur as a result of the construction phase of the proposed project. However, implementation of standard mitigation measures dealing with city noise restrictions would reduce impacts to below the level of significance.

Population and Housing

Population and Housing was carried forward for detailed analysis in the Draft EIR, however, it has been determined that no significant impacts to population and housing would arise from the proposed project. Therefore, no mitigation measures are required.

Public Services

Impacts to public services are expected to occur as a result of the proposed project is implemented. The construction of new infrastructure, related to an increased need for police protection, schools and libraries would be necessary to maintain service objectives. However, impacts would be reduced to below the level of significance with the incorporation of mitigation measures.

Recreation

Impacts to recreational facilities are expected to occur as a result of the construction phase of the proposed project. However, implementation of mitigation measures is expected to reduce anticipated significant impacts to recreation resulting from construction of the proposed project to below the level of significance.

Traffic/Transportation

Impacts to traffic and transportation are expected to occur as a result of the construction and operation phase of the proposed project. However, implementation of mitigation measures is expected to reduce anticipated significant impacts to below the level of significance. See Exhibit I.

Utilities and Service Systems

Impacts to utilities and service systems, specifically to potable water services, sanitary sewer systems, wastewater treatment facilities, recycled water services, storm drain systems, solid waste disposal, electrical grid systems, telephone systems, natural gas systems, cable television systems, and data communication systems are expected to occur as a result of the construction and operation phases of the proposed project. Implementation of mitigation measures would be expected to reduce impacts to below the level of significance.

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1.5 ECONOMIC ASSESSMENT

A market assessment dated December, 2002 was prepared by Economic Research Associates and is included as Exhibit E. The report addresses the following:

- Population & Demographics
- Residential Market Overview
- Retail Market Overview
- Campus related market support

In summary, the Chino area is one of the strongest residential markets in Southern California and the western United States.

The draft Specific Plan allows up to 2,500 dwelling units and 120,000 s.f. of commercial space within the 470 acre Disposition Parcel. The subject property is one of the largest development opportunities that will be available in the market area within the next several years.

Up to 120,000 s.f. of neighborhood/service retail is supported by the project's residents, the adjoining residential market area, students, faculty and employees, and area employment outside of the project.

1.6 LAND USE REGULATIONS, POLICIES AND ENTITLEMENTS

The Disposition Parcel is currently owned by the State of California and located entirely within the City of Chino. The Disposition Parcel will be subject to local land use plan designations and zoning upon transfer from State ownership.

1.6.1 General Plan Land Use Designation

The City of Chino has adopted stringent approval hurdles to permit residential development throughout the City. Based on a measure adopted by the voters in 1988, all residential development in areas not designated for residential development in the General Plan must be approved by the voters in either regular or special elections.

On November 5, 2002, the voters of Chino approved the required Measure M ballot measure, (Measure A on the November, 2002 ballot), that specifically authorizes the development of up to 2,500 residential units on the Disposition Parcel. This favorable outcome has the effect of amending the City's existing General Plan on the parcel and paves the way for preparation and adoption of a specific plan.

1.6.2 Specific Plan and Zoning

The State team has prepared a draft Specific Plan (see Exhibit B), and a related Environmental Initial Study (see Exhibit C) that is currently under review by the City of Chino as the lead agency. The State anticipates that the Environmental Impact Report will be certified, and the Specific Plan, as authorized by Measure A, will be scheduled for hearing for adoption by the Chino City Council in July of 2003. Although there is no assurance of such adoption, the State team believes that the items will be adopted substantially as proposed.

1.6.3 Redevelopment Project Area

The property is located within the City's Redevelopment Project Area. It is anticipated that the City's Redevelopment Agency will amend the redevelopment area plan to make it consistent with the amended General Plan.

1.6.4 Development Agreement

It is anticipated that the selected buyer, as a co-applicant with the State, will negotiate a Development Agreement with the City of Chino and a Cooperation Agreement with the Chino Redevelopment Agency. See Section 4.6.2, of this RFP.

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Part Two: Development Program

2.1 APPROACH

The State's asset enhancement branch has taken a pro-active roll in creating a Master Development Plan (MDP) that establishes the basic planning framework for the entire 710-acre property. The focus has been to create a market-driven concept with significant entitlements in place prior to sale. The MDP also includes the City's Ruben Ayala Regional Park expansion and the new Chaffey College campus.

Because a successful community concept and smooth entitlement process has been the primary goal of the State, the MDP has been developed in close collaboration with City and Chaffey College staff and their consultants. This collaboration is formalized and documented in a Memorandum of Understanding, Exhibit A, which was executed in March 2002, and has guided all subsequent planning.

The MDP has been subjected to peer review throughout the planning process. This has included plan critiques by a number of developers with experience in large-scale residential master planned community development as well as an Urban Land Institute Plan Analysis Session at the Spring 2002 meeting in Kansas City.

The MDP is incorporated into the Draft Chino College Park Specific Plan, as described in Exhibit B.

2.2 STAKEHOLDER GOALS AND OBJECTIVES

The Draft Specific Plan incorporates the objectives of the three primary parties-- the State, City of Chino (City), and the Chaffey Community College District (Chaffey). The City and Chaffey are prepared to cooperate with the successful developer to create compatible improvement plans for their respective parcels and to enter into appropriate cooperation agreements to implement this multi-entity development program.

The stakeholder goals are fully expressed in Exhibit C: EIR Initial Study: Project Goals, and are summarized below.

2.2.1 State of California

- The sale and transfer of the Disposition Parcel to achieve the highest and most certain return within a reasonable time frame, consistent with goals of the principal stakeholders.
- Installation of the infrastructure improvements necessary to separate the California Department of Corrections' remaining property adjacent to the surplus property.

2.2.2 City of Chino

- Creation of premier living environment, including efficient use of land resources, full use of urban services, mix of uses, transportation options, and detailed human scale design that is unique because of its accessibility to regional educational and recreational opportunities. The project should provide an integrated mix of residential densities and product types, including estate lot residential, single-family residences on a variety of smaller lots, and multi-family residences.
- Creation of affordable housing consistent with all requirements of the State, City and the Community Redevelopment Plan.
- Finance and construction of the Ruben Ayala Regional Recreation facility expansion program.

2.2.3 Chaffey Community College District

- Establish a full service college campus in accordance with the Educational/Facilities Master Plan for the District that will meet the long-term needs of residents of the southern area of the District. See Exhibit F, Chaffey College at Chino Village Statement.
- Develop a master site plan for the campus that is compatible with the overall development plan for the total project and facilitates the joint use of the facilities for the City and the campus.

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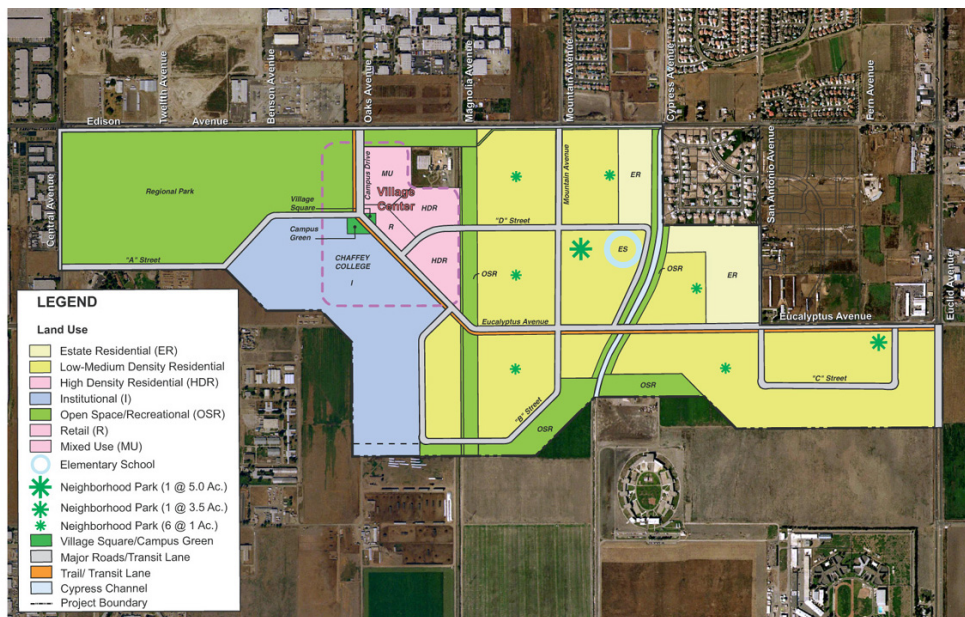
2.3 THE MASTER DEVELOPMENT PLAN

The program for development of the 710-acre parcel is summarized below, and is illustrated in the Figure 3: Chino College Park Land Use Plan, following page, and described in Exhibit B: Chino College Park Specific Plan.

The primary objective of the plan is to create a pedestrian-scaled, mixed-use community with the character and ambience of a small college town. The primary focus of the town is the Village Center which integrates residential, shopping and services, parks, and a college campus creating a master-planned community in which families can live, work, learn and play.

2.3.1 Disposition Parcel

The approximately 470-acre Disposition Parcel will be developed as a mixed-use master planned community of up to 2,500 dwelling units, and will incorporate commercial space, community facilities, and related infrastructure. The land use program as set forth for the Disposition Parcel is summarized below, and described in greater detail in Exhibit B: Draft Specific Plan.



Chino College Park

Figure 3
Land Use Plan

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CONCEPT LAND USE PLAN STATISTICAL SUMMARY Chino College Park Specific Plan

LAND USE DESIGNATION	DENSITY RANGE	ACRES		UNITS	
		Minimum	Maximum	Minimum	Maximum
RESIDENTIAL DESIGNATIONS					
Estate Residential (ER)	0-3 DU/Ac.	30	45	45	110
Low Density Residential (LDR)	3-6 DU/Ac.	137	206	758	1,138
Medium Density Residential (MDR)	6-12 DU/Ac.	71	106	583	875
High Density Residential (HDR)	12-20 DU/Ac.	17	25	210	500
SUBTOTAL:		320		2,500	
		Proposed Acres		Maximum Square Feet	
OPEN SPACE RECREATION (OSR)					
Community Park		140			
Neighborhood Parks		15			
Multi-use Trail		6			
Easements and Channel		33			
Retention Areas		22			
OTHER DESIGNATIONS					
Mixed Use		10		70,000	
Retail		4		50,000	
Chaffey College		100			
Elementary School		10			
Roads and Transit		50			
TOTAL		710			

2.3.2 Affordable Housing

The inclusion of affordable housing is a goal of the State, City and its redevelopment agency that has been incorporated into the MOU, Exhibit A, and the draft Specific Plan to satisfy that goal. Fifteen percent of the total amount of dwelling units must be provided as affordable housing, 9% of which will be for moderate-income households, and 6% of which will be for the very low household income category.

The developer will be responsible for developing the affordable housing component of the project on the subject property. See Section 2.4.4, below (and Exhibit H) for City and Agency guidelines regarding the use of affordable housing 20% set-aside tax increment funds.

2.3.3 Village Center

The Village Center will be the focal point of the project, and will include the project's commercial area, multifamily housing, the primary public components of the new Chaffey College campus and the "passive", family-oriented component of the Ayala Park expansion, which will include a community center/banquet facility and water feature. A 1-2 acre "village green" is also planned in the Village Center as the focus of the retail uses across the entrance streets from the 2-3 acre "campus green", which will form the focus of the initial phase of campus development. The Village Green will include a hardscape water feature.

The developer will be responsible for coordinating with the City of Chino and Chaffey College regarding collaborative planning and design of the Village Center to create a unified concept plan that integrates the City's park and the Chaffey College at Chino campus.

Specific design guidelines for the Village Center are set forth in the draft Specific Plan. See Figure 4 and Exhibit B.

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2.3.4 Elementary School and Community Park

A 10-acre elementary school will be incorporated in the project in collaboration with the Chino Valley Unified School District (CVUSD) and the City. A 5-acre park is planned adjacent to the school and the goal is to integrate the park with the school in accordance with the School District's design standards.

The proposed elementary school site is approximately 8,000 feet northwest of the Chino Airport Runway 8L. In accordance with the Education code Section 17215, and because the proposed site is within two miles of a runway, a school site evaluation by the Division of Aeronautics will be required. Prior to acquisition of the land, the school district should be advised to submit a written request to the State Department of Education. If the proposed school location is not approved by the Division of Aeronautics, the proposed school site will convert to residential use.

2.3.5 Community Parks

Two neighborhood parks, one of 3.5 acres, and the other a 5-acre park integrated with the elementary school, will be required and will be funded through the City's Development Impact Fee (DIF). In addition, 6 "pocket parks" of 1-acre each are planned to be the focus of each residential neighborhood (See Exhibit B). A 1 –2 acre public open space will be required within the Village Center. See Figure 4.

2.3.6 Trails and Walkways

Pedestrian trail, bike path, and equestrian trail systems will be developed in conjunction within the primary and secondary arterials and collector streets rights of way.

2.3.7 Ruben Ayala Regional Recreational Facility and Family Park

As part of the proposed project, 140 acres will be conveyed by the State to the City of Chino for the expansion of the existing Ayala Park in accordance with Section 14672.14 of the Government Code, see Exhibit G.

In accordance with the City's current planning, the expanded park will provide for a variety of open space and recreational uses, including:

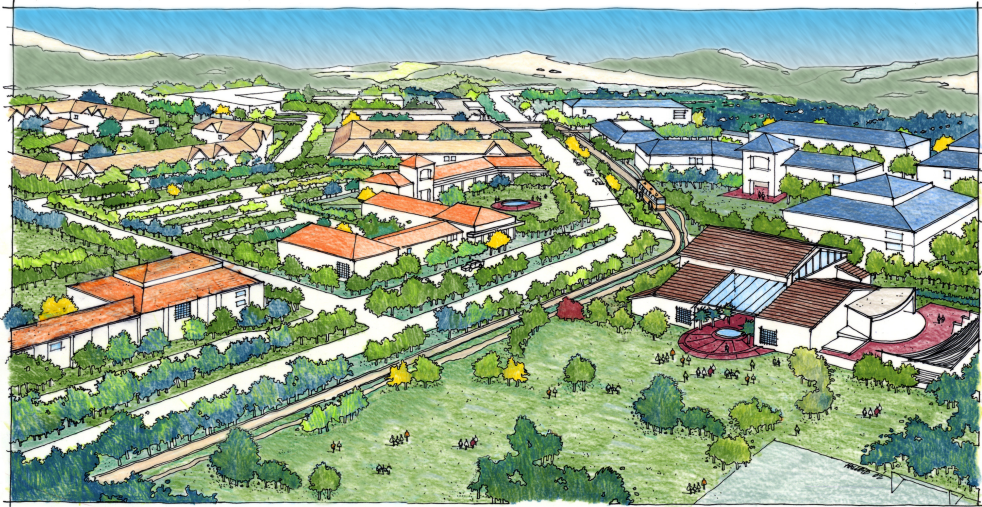
- Lighted Soccer fields (9)
- Tournament field with spectator seating,
- Playgrounds,
- Skate park (25,000 s.f.)
- Concession stands (2)
- Restrooms
- Maintenance facilities,
- On-site parking (482 spaces)
- Tot-lot areas
- Picnic shelters,
- Overflow for 144 additional vehicles.

A more passive "family park" area is incorporated in the park as part of the master plan of the Village Center. This area will also include a community center-banquet facility with an orientation to the Village Center. It is intended that the college construct the facility which will be available for citywide and community events. See Figure 4.

Ingress and egress would be available from Edison and Central Avenues via "A" Street and Campus Drive.

See Section 4.6.2.1, regarding the funding of these park improvements.

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Chino College Park

Figure 4
Village Center Concept

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2.3.8 Chaffey Community College at Chino Campus

Chaffey College at Chino, a new campus for the Chaffey Community College District, will be located on the 100-acre parcel that the State will transfer to the college. The transfer of the property is authorized by Section 14672.14 of the Government Code. See Exhibit G.

The first phase of the campus development will be oriented to the Village Center and will include approximately 150,000 square feet of buildings, which will house student services, (admissions and registration, counseling, financial aid, administration, classrooms and instructional labs, and faculty offices. The first phase will also include parking on the northwest part of the campus, adjacent to the Ayala Park ball fields, so that the community will have additional parking available on weekends. A community center/banquet facility will be built in Ayala Park, adjacent to the college, and will contain meeting and event space, which can be used by the college, the city and the community.

The improvements will be designed, financed, constructed, and operated by Chaffey College with the exception of the community center/banquet facility, which will be financed through a combination of college and city funds and the project's Development Impact Fee assessment. The initial phase of the college project will be constructed concurrently with the first phase of the project on the Disposition Parcel.

The projected growth of the campus is summarized in the EIR Initial Study, Exhibit C, and the Draft Specific Plan, Exhibit B.

See Exhibit F: Vision Statement for Chaffey College at Chino for further detail regarding full development program of the new college.

2.3.9 California Institution for Men (CIM) Improvement Program

Several existing prison improvements currently located on the Disposition Parcel will need to be relocated and replaced in conjunction with the proposed project. These improvements have been approved by the Department of Corrections, and will be

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installed by the developer concurrently with the initial phase of development on the Disposition Parcel. A complete list of these improvements and preliminary construction specifications are set forth in Exhibit D. The improvements are summarized below.

- An access and service road and guard gate to replace the existing service road.
- Screening and landscaping around the existing water treatment facility.
- A storage building
- Water line relocation
- Relocation of Color Spot lease facilities
- CIM Boundary Wall

See Section 4.4, below for details relating to funding these improvements.

2.3.10 Estimated Project Development Costs

In the course of preparing the Draft Specific Plan, the State consulting team has prepared estimates of cost for the following elements:

- Backbone roads
- Backbone utilities
- Development fees
- Congestion Management Program fees
- CIM Boundary Wall

These are budget estimates based on the preliminary plans and specifications for improvements related to the draft Specific Plan and are outlined in Exhibit D, Engineering Technical Report.

2.4 INFRASTRUCTURE AND MITIGATION FINANCING

Project-related infrastructure and impact mitigation costs will be funded in accordance with the City's standard procedures relating to Development Impact Fees (DIF) and Congestion Management Program fees as described below. Public financing e.g., community facilities district, will be made available in accordance with adopted City guidelines. In addition, the City and State have tentatively agreed on guidelines for funding the affordable housing requirement for the project, as well as the expansion of Ayala Regional Park. These project components are described below.

2.4.1 Development Impact Fees (DIF)

Portions of the backbone roads and infrastructure, as described in Exhibit D: Engineering Technical Report, that conform with the Master Plans for Streets and Utilities standards for the City, will be funded through DIF that will be collected as building permits are pulled. The City's DIF standards for streets and utilities are included in Exhibit H: Public Financing Guidelines. The developer will finance and install certain improvements, and receive a credit against the appropriate fees as building permits are pulled.

2.4.2 Congestion Management Program Fees

The Congestion Management Program fee is established by modeling the off-site development impacts of the proposed project by utilizing the regional model administered by SANBAG, the regional congestion management agency, to determine off-site project impacts and projected fees. See Exhibit I: Area-wide Traffic Analysis for the projected off-site project traffic impacts prepared for SANBAG by Kaku Associates. The report estimates the CMP fees for the project to be approximately \$6.1 million to be paid as building permits are pulled and shared by the master developer and college. These costs will be adjusted based on ongoing review by SANBAG and the City.

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2.4.3 Public Financing of Public Facilities

The City will provide public financing assistance to fund the construction of eligible public facilities, including roads, backbone infrastructure and other public facilities as defined in the City's Policy Guidelines Regulating the Use of Public Financing Mechanisms to Finance Public Facilities. See Exhibit H: Public Financing Guidelines.

2.4.4 Affordable Housing Funding Program

The City has tentatively agreed that not less than 50% of the affordable housing set-aside portion of project-related tax increment revenues will be dedicated to financing the affordable housing requirements for the project, as described in Section 2.3.2 and Section 4.6.2.2 of this RFP.

2.4.5 Cost Sharing with the College

The College and the residential community will share the use of significant elements of the Master Plan for Roads and Utilities. The College has agreed to share costs for shared infrastructure costs and mitigation fees on a proportionate cost benefit basis with the Disposition Parcel development. The City will assess Development Impact Fees for college construction as it is built, as well as for the residential community as permits are pulled. The college and the developer will evaluate and agree on equitable cost-sharing for jointly used infrastructure and facilities based on generally accepted standards for allocating cost and benefit.

Part Three: The Disposition Process

3.1 DISPOSITION SCHEDULE

The schedule of events for the solicitation of proposals and developer selection is outlined below.

- RFP issued January, 2003
- Informational Meeting#1 February 11, 2003
- Proposal due April 21, 2003 by 2pm
- Selection of Master Developer/60 Day due diligence May, 2003
- Execution of Purchase and Sale agreement / Opening of escrow July, 2003

Close of escrow and transfer of property to the selected proposer will be linked to the certification of the Specific Plan Environmental Impact Report, approval of the Specific Plan, Development Agreement, and related actions as outlined in Section 3.10, below.

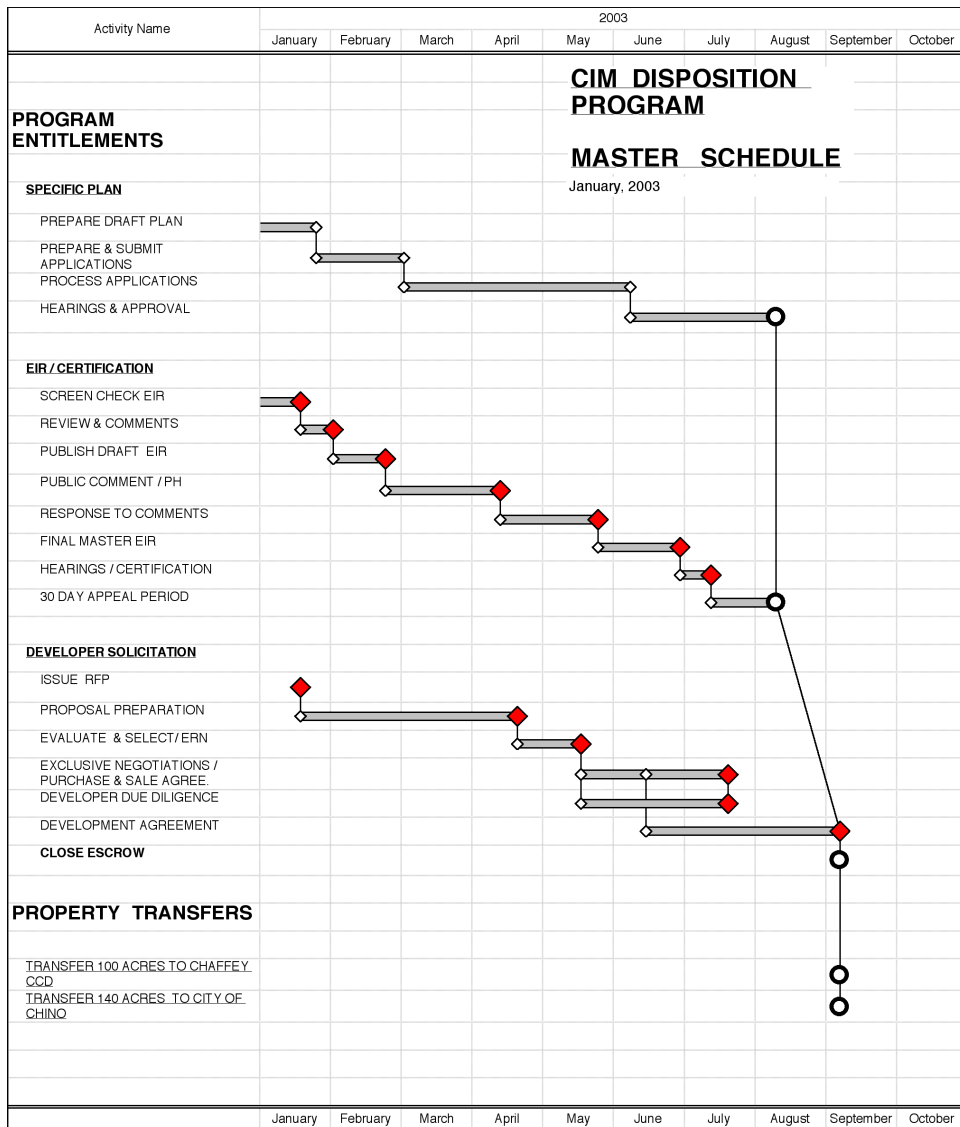
The proposed timetable for this process and its relation to the project entitlement process is illustrated on the following page.

3.2 INFORMATION PERIOD

The initial pre-submittal conference will be held on February 11, 2003 in Chino at the City's Community Building located at 5443 B Street (a few blocks north of City Hall) from 9:30 am to 1:00 p.m. Representatives from the State, City of Chino and Chaffey Community College and their consultants will provide information regarding their components of the plan and to answer questions.

Please advise Bob McKinnon, Project Manager by February 3rd if you plan to attend and the number in your party.

request for proposals



Any questions, interpretations, or clarifications of this RFP must be requested via email, fax or regular mail. All contractual or technical questions shall be directed to Mr. McKinnon.

Bob McKinnon, Project Manager
Department of General Services
Asset Planning & Enhancement Branch
707 3rd Street
6th Floor
West Sacramento, CA 95605

Phone: 916-376-1814
Fax: 916-376-1833
E mail: robert.mckinnon@dgs.ca.gov
Website: <http://www.applications.dgs.ca.gov/RES/StateSurplusProperty>

In addition to the PDF files found on the enclosed CD's, the computer assisted drafting (CAD) files of the planning and engineering maps and graphics can be requested by contacting Mr. McKinnon.

The contents of this RFP, supplemental information as it is available, and questions and responses to all inquiries will be posted on the project website up to five (5) days prior to the RFP submittal date.

3.3 EVALUATION AND SELECTION CRITERIA

The State will evaluate the proposals as submitted in conformance with the requirements set forth herein, and will make its decision to enter into exclusive negotiations with the proposer, who, in the sole discretion of the State poses the best opportunity for the State to meet its objectives of the highest and most certain return within a reasonable time. This procedure should not be interpreted as a bid process.

request for proposals

The proposal must be sufficiently detailed and descriptive, in the State's sole discretion, to assess the viability of the proposal. The State recommends that the proposals address, at a minimum, the issues described in Part Four: Proposal Requirements.

3.4 CONDITIONAL ACCEPTANCE

The State will condition any acceptance of a proposal on the following requirements:

- A deposit, as described below.
- A cooperation agreement designating one entity as the lead representative if the proposal is from a team of builders/developers.
- A final purchase agreement that is consistent with the proposal and the State's requirements within 60 days of the State making its selection.
- Verification of financial capability

3.5 DEPOSIT

Upon selection by the State, the Proposer will be required to submit a deposit equal to 1% of the purchase price that is offered in the proposal. One half of the deposit shall become nonrefundable upon the execution of the purchase and sale agreement.

If the Proposer fails to complete the purchase of the property in accordance with the terms of the Purchase and Sale Agreement, the State will retain the entire deposit as liquidated damages, since, in the event of purchaser's failure to complete the purchase it would be difficult to ascertain damages.

3.6 CLOSING COSTS

All closing costs shall be paid by the buyer, including but not limited to any applicable documentary transfer taxes, premiums for any title policy, escrow fees and costs, and document recording charges. In no event shall the state be responsible for any real estate brokerage fees.

3.7 DUE DILIGENCE AND INSPECTION OF THE PROPERTY

The subject property is currently under the control of the Department of Corrections, and is an integral part of the penal facilities located on the property, including the Chino Institute for Men and the California Youth Authority facility. The Proposer will be permitted to conduct due diligence on the property subject to a schedule and plan to be approved by the DGS. Access to the property will be strictly controlled and under supervision of Department of Corrections personnel. All remaining due diligence must be completed within 60 days following State selection. The Proposer may waive all or a portion of the Due Diligence Period by informing State of such waiver in writing. Interested proposers shall not make any other attempts to secure access to the property either with DGS or with CIM.

3.7.1 Proposer's Investigation of Property Conditions.

It is the responsibility of the selected Proposer, at its sole and absolute expense, to undertake such investigations as the Proposer may deem necessary in connection with the condition of the Property and the appropriateness of the Property for the Proposer's intended use. The Proposer shall provide to the State, at no cost, upon the State's request, complete copies of all inspection reports obtained by the Proposer concerning the Property.

3.7.2 Responsibility of Proposer

If the selected Proposer identifies any toxic and/or hazardous substances, and reports findings to the State in writing during the Due Diligence Period, and also notifies the State of the Proposer's intention to withdraw the offer, unless an agreement is reached regarding this matter, then the Proposer shall be solely responsible for the removal of any toxic substance(s) found in or on the Property and the elimination of any hazardous condition(s) discovered in or on the Property as part of the purchase of the property.

request for proposals

3.8 PUBLIC WORKS BOARD APPROVAL

The State's approval of a Purchase and Sale Agreement will be by action of the Public Works Board at a duly noticed public hearing. The State will notify the selected Proposer of the date, time, and location of the Board's hearing at which the Board will consider the transaction for approval and formal acceptance. Such an approval is expected within 60 days of executing the Purchase and Sale Agreement.

3.9 STATE LANDS COMMISSION

The State is in the process of obtaining a Release of Surface Entry Rights from the State Lands Commission for the 710-acre property. The request is scheduled to be heard at the April 2003 Commission meeting.

3.10 CLOSE OF ESCROW

The close of escrow for the sale of the disposition parcel and transfer of land to the city and to Chaffey CCD will occur concurrently with the approval by the City of the following:

- Zoning amendment
- Specific Plan
- Amendment to the redevelopment plan
- Certification of the Project EIR,
- Tentative Large Lot Subdivision Map for the three major parcels, including:
 - Disposition parcel
 - Ayala Park parcel
 - Chaffey College parcel
- Development Agreement with the City of Chino
- Cooperation Agreement with the Chino Redevelopment Agency

The State will not accept any other conditions regarding entitlements as a condition to closing escrow.

4. Part Four: Proposal Requirements

The proposal must be sufficiently detailed and descriptive in the State's sole discretion to assess the viability of the proposal. The State will choose to negotiate an agreement with the proposer who poses the best opportunity for the State to meet its objective of highest and most certain return within a reasonable time. The State, therefore, recommends that proposals address, at a minimum, the issues described below.

Except for offers to close escrow, all cash, with no conditions relating to land use approvals, the State will be best able to consider proposals that include, but are not limited to, the items described below. The State reserves the right to make its selection based on its sole and absolute discretion. In addition, the State reserves the right to reject any or all proposals at any time for any reason.

4.1 QUALIFICATIONS

Address the following elements regarding the Proposer's capacity to successfully purchase and develop the property as proposed. Provide concise and specific responses.

4.1.1 Organization

Identify members of the proposing entity and team and provide a brief description of the firm, including the following information:

1. Number of years in business
2. Number of full-time employees
3. Form of probable development entity (corporation, partnership, etc.)
4. One-page resume of key principals and managers
5. Persons authorized to negotiate on behalf of the development entity
6. Key development team members if known (architect, engineer, leasing, public relations, etc.)
7. Project Manager

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If the development entity would be a joint venture, provide information for each partner, a description of prior working relationships, and the basic terms of the venture.

4.1.2 Relevant Project Experience

Provide brief descriptions of 3 to 5 relevant recently completed projects. For each project, please include the following;

1. Project name, location and jurisdiction
2. Project type and size
3. Special circumstances (e.g., phase development, specific plan, public amenities, etc.)
4. The original permitted land uses and the outcome of the entitlement process
5. A brief description of the planning process

4.1.3 Financial Capability

The State wants assurances that the proposed entity has the financial capability to complete the proposed transaction. Proposers shall provide a statement of financial qualifications, including a recent balance sheet and income statement of the proposed entity and the members of the entity.

IF REQUESTED, ALL NON-PUBLIC FINANCIAL INFORMATION WILL BE TREATED CONFIDENTIALLY. THE STATE WILL REVIEW THE MATERIAL AND RETURN IT TO THE RESPONDENT. IT WILL NOT BECOME A PART OF THE PUBLIC RECORD.

4.2 COMMITMENT TO ENTITLEMENT PROCESS

The proposals should describe the extent to which the Proposer is willing and able to cooperate in the entitlement process, in particular the approval of a College Park Specific Plan, certification of the EIR, and approval of the Large Lot Subdivision Map and Development Agreement. The selected party is expected to participate in varying degrees with these City approvals.

4.3 CONFORMANCE WITH THE DRAFT SPECIFIC PLAN

With the exception of “all cash” offers, with no conditions relating to land use approvals, the State will not consider proposals that exceed the allowable development program as set forth in the draft Specific Plan, or changes to the draft Specific Plan that may trigger supplemental environmental review not already covered in the draft Environmental Impact Report. If the proposer desires changes in the development program that would require material changes in the draft Specific Plan or further environmental studies and compliance, the proposer may not delay the purchase for such purpose, and will have to purchase the land for all cash with development as provided for in the Specific Plan without such changes, and assume the risk and effort to obtain the desired further changes afterwards without any further participation by the State.

4.4 CIM REPLACEMENT IMPROVEMENTS

As a condition of the sale, the purchaser will be required to design, contract for and construct the improvements identified in Exhibit D: Engineering Technical Report and Correctional Institution for Men: Facilities Replacement Plan. These improvements include new access into the California Institution for Men (CIM) from Euclid Avenue, replace a security gate, replace a tractor storage facility, relocation of the Color Spot lease facility, realign and replace certain water lines and electrical lines and construct a boundary wall and/or fence. In addition, it is possible that additional State facilities may be discovered that need to be relocated in order for the development to proceed and the purchaser will be obligated to design, contract for and construct those improvements. The engineering report dated December, 2002 describes these improvements and estimates the costs of those improvements. The State will retain in a post-close holdback escrow at least 150% of the engineering estimate to reimburse the purchase for the costs to design and construct the State Improvements. In addition, the State will agree to pay to the purchaser from the holdback escrow three percent (3%) of the actual design and construction costs of the State Improvements for management of the design and construction. The purchaser will be required to obtain competitive bids for the design and construction of the State Improvements and shall require its contractors to pay prevailing wages for the work for the State Improvements.

The new access road and replacement security gate must be constructed before access to CIM from Euclid via Eucalyptus can be terminated. In addition, the State's boundary wall and fence must be constructed before any residential or commercial/retail construction may commence on the Disposition Property. In addition, any water line and utility relocations must be performed in a manner that does not interfere with ongoing operations at the State correctional facilities. Therefore, proposers should submit a proposed plan and timetable for designing and constructing the CIM improvements and the boundary wall.

4.5 PROPOSED DEVELOPMENT PLAN

The offer should include a description of the development plans for the property. At a minimum, the description should address the following elements:

- The residential development program, including lot sizes, numbers and types of dwelling units,
- Preliminary site plan illustrating:
 - Neighborhood concepts, including distribution of housing product types
 - Circulation and access
 - Park, trail and open space concepts
 - Village Center program description and concepts
- Affordable housing program, including unit types and funding plan
- Project phasing and timing

The description should affirm the consistency of the proposed development plan with elements of the Draft Specific Plan, Exhibit B, and how and why the proposed development plans vary from the Draft Specific Plan described herein. Any alternatives shall be developed at least to the level of detail included in the Draft Specific Plan.

4.6 FINANCIAL TERMS AND CONDITIONS

4.6.1 Purchase Price

The Proposal should specify the price for the Disposition Parcel. There shall be no offsets or deductions for easements, dedications, fees, exactions, and other encumbrances.

The EIR and Specific Plan certification and entitlement process is currently underway and the State prefers to close escrow as soon as possible. The Proposer must submit a purchase price subject only to the certification of the project EIR and approval of the Specific Plan, large lot subdivision map, and Development Agreement.

However, the State will consider all cash non-contingent offers with close of escrow to occur 30 days after approval by the Public Works Board. The State will not consider installment payments.

4.6.2 Special Offer Considerations

4.6.2.1 Park Fees

City support for the proposed project is in part due to the State's dedication of acreage for the expansion of Ayala Park, and the means to construct the planned improvements at the earliest possible time. The City of Chino has expressed a desire to accelerate the development of the Ayala Park expansion and has identified the objective of obtaining prepayment of the net park fees (as described below) from the proposed developer. The concept that has been proposed is to tie the payment of the net park fees, (the difference between the costs associated with the project's required 8.5 acre park improvements and the project's total park fees), to the receipt of certain levels of entitlements and development milestones. Since this is a critical issue for the City and will most likely be part of the negotiations for any development agreement, proposers should include a detailed description of what they are willing to do and what conditions or requirements would be needed in any development agreement or other agreements.

The total park fees for the project will be calculated as follows: \$4,741 per unit of single family housing, and \$3,626 per unit for multi-family housing. City staff has agreed that the developer will be given credit for the value of land for the 5.0 acre School park, the 3.5 acre park and the costs of development of such parks.

To the extent a proposer considers there to be a financial risk associated with this issue that affects the price the proposer is willing to pay the state for the disposition property, the proposer must separately quantify that risk in its proposal.

4.6.3 Development Agreement and Cooperation Agreement Deal Points

If the proposer wishes to close escrow subject to approval of a Development Agreement and Cooperation Agreement, the proposal should include draft language for the key deal points to be incorporated into these agreements that will have a substantial impact on the valuation of the project and timing of the close of escrow. The desired deal points should be described in sufficient detail to enable the State to evaluate the reasonableness and viability of these provisions.

4.6.4 Affordable Housing

As noted in Section 2.4.4, the City has thus far agreed that not less than 50% of the project-generated affordable housing “set-aside” funds will be dedicated to financing the affordable housing program. To the extent a proposer considers there to be a financial risk associated with this issue that affects the price the proposer is willing to pay the state for the disposition property, the proposer must specifically quantify that risk in its proposal.

4.6.5 Profit Participation

The State will not consider proposals that include profit participation as a component of the purchase price.

4.6.6 Proposer's Representations and Warranties

Proposer should represent and warrant to State that the statements contained in their offer are true and correct as of the date of the offer and shall be true and correct as of the close of sale, and the truth and accuracy of such statements shall constitute a condition to all State's obligations under this offer. Proposer further warrants that Proposer has all requisite authority and power to make this offer on the terms and conditions as herein contained.

4.6.7 Indemnification and Hold Harmless

Proposer shall defend, indemnify, and hold State harmless from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, but not limited to, attorney's fees, court costs and litigation expenses that State may incur or sustain by reason of or in connection with any misrepresentation made by successful Proposer pursuant to this RFP and the Purchase and Sale Agreement.

4.7 ACKNOWLEDGEMENT

The presentation of the proposal creates no obligation or commitment on the part of the State to accept the proposal or the Purchase and Sale Agreement unless the Public Works Board approves the Purchase and Sale Agreement.

4.8 RESPONSES

Interested parties must submit ten (10) copies of their proposal in accordance with the requirements set forth in this RFP not later than 2:00 p.m. on April 21, 2003 to:

Bob McKinnon
Department of General Services
Asset Planning & Enhancement Branch
707 3rd Street, 6th Floor
West Sacramento, CA 95605

Phone: 916-376-1814